Audit Division

Correspondence Opinion Survey

May 2003

Planning Unit

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Audit Division Correspondence Opinion Survey Summary of Results

May 2003 Mailing

On May 2, 2003, the Audit Division mailed 515 correspondence opinion surveys to taxpayers and tax representatives who had participated in a desk audit. These examinations were completed from October 1, 2002 through March 31, 2003. The purpose of the survey is to provide management with pertinent information to improve our audit processes and to minimize intrusiveness.

Of the 515 surveys mailed, 85 were sent to Multistate Audit taxpayers and 430 were sent to General Tax Audit taxpayers. By June 30, 2003 a total of 137 surveys were returned back and are included in the results of this report. The response rate was 27 percent for this mailing process.

To continue this monitoring of taxpayer satisfaction with the administration of our audit program, the Taxpayer Opinion Survey and Correspondence Opinion Survey process is a success indicator in Audit Division's Business Plan for 2002-2003. The results of both May and November survey reports will be included in the bi-annual status reports of Audit Division's Business Plan.

Survey participation was voluntary. Participants responded anonymously and could provide additional comments.

Survey results are summarized on the attached pages.

Findings

The following findings provide an overview of how survey respondents replied. Percentages are rounded to reflect 100% of responses.

Type of Examination

luing	%
20	15%
8	6%
63	46%
13	9%
16	12%
8	5%
0	0%
0	0%
<u>9</u>	<u>7%</u>
137	100%
	8 63 13 16 8 0 0

Respondent's Role in Examination

	No.	%
Represented taxpayer during audit &	88	64%
Represented taxpayer during audit	17	12%
but did NOT prepare return Self (taxpayer)	27	20%
Other Total	<u>5</u> 137	4% 100%

Communication Questions 1 through 7

1. It was clear what documents and records we needed in order to complete the audit.

	No.	%
A (Strongly agree)	63	46%
B (Agree)	60	44%
C (Neither agree/disagree)	4	3%
D (Disagree)	5	4%
E (Strongly disagree)	2	1%
F (Not applicable)	3	2%
Not included ¹	<u>0</u>	<u>0%</u>
Total	137	100%

2. We kept you updated throughout the audit process.

	No.	%
A (Strongly agree)	51	37%
B (Agree)	60	44%
C (Neither agree/disagree)	10	8%
D (Disagree)	2	1%
E (Strongly disagree)	7	5%
F (Not applicable)	6	4%
Not included	<u>1</u>	<u>1%</u>
Total	137	100%

3. We followed up promptly throughout the audit process.

	No.	%
A (Strongly agree)	48	35%
B (Agree)	61	45%
C (Neither agree/disagree)	10	7%
D (Disagree)	5	4%
E (Strongly disagree)	6	4%
F (Not applicable)	6	4%
Not included	<u>1</u>	1%
Total	137	100%

¹ Survey(s) received back with more than one answer marked.

Communication Questions 1 through 7 continued

We asked appropriate questions to gain a better understanding of your operations. 4.

	No.	%
A (Strongly agree)	48	35%
B (Agree)	57	42%
C (Neither agree/disagree)	11	8%
D (Disagree)	5	4%
E (Strongly disagree)	3	2%
F (Not applicable)	12	8%
Not included ²	<u>1</u>	<u>1%</u>
Total	137	100%

Request for additional information during the audit process were understandable and 5. clear.

	No.	%
A (Strongly agree)	42	31%
B (Agree)	54	39%
C (Neither agree/disagree)	5	4%
D (Disagree)	6	4%
E (Strongly disagree)	4	3%
F (Not applicable)	24	18%
Not included	<u>2</u>	<u>1%</u>
Total	137	100%

You could openly discuss with the auditor any issues regarding the interpretation and 6. application of the law during the audit.

	No.	%
A (Strongly agree)	53	39%
B (Agree)	48	35%
C (Neither agree/disagree)	6	4%
D (Disagree)	4	3%
E (Strongly disagree)	6	4%
F (Not applicable)	20	15%
Not included	0	0%
Total	137	100%

² Survey(s) received with more than one answer checked.

Communication Questions 1 through 7 continued

7. You felt comfortable discussing any problems with the auditor, supervisor and/or program manager.

	No.	%
A (Strongly agree)	48	35%
B (Agree)	52	38%
C (Neither agree/disagree)	10	7%
D (Disagree)	4	3%
E (Strongly disagree)	4	3%
F (Not applicable)	16	12%
Not included ³	<u>3</u>	<u>2%</u>
Total	137	100%

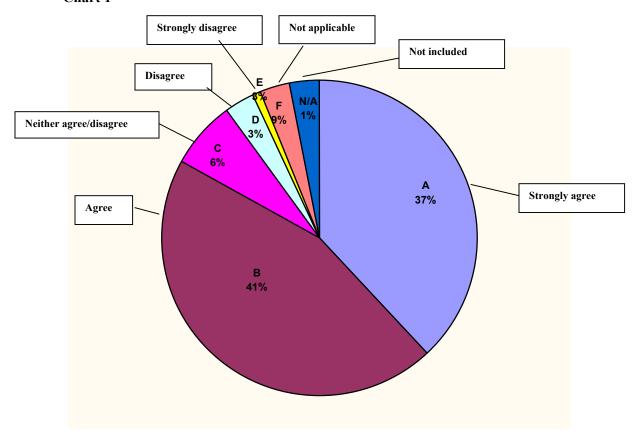
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³ Survey(s) received with more than one answer checked.

Communication Results (Summary)

In response to all seven questions on communication, an overwhelming majority of the respondents replied favorably when asked about communication issues between themselves and the Audit Division during the course of the examination. Please refer to Chart 1.

Chart 1



All Communication Questions

A (Strongly agree)	37%
B (Agree)	41%
C (Neither agree/disagree)	6%
D (Disagree)	3%
E (Strongly disagree)	3%
F (Not applicable)	9%
Not included ⁴	1%
Total	100%

⁴ Survey(s) received back with more than one answer marked.

Audit Procedures Questions 1 through 10

1. We made the purpose of the audit clear to you.

	No.	%
A (Strongly agree)	63	46%
B (Agree)	59	43%
C (Neither agree/disagree)	2	1%
D (Disagree)	7	5%
E (Strongly disagree)	3	2%
F (Not applicable)	2	2%
Not included ⁵	<u>1</u>	<u>1%</u>
Total	137	100%

2. We provided a mutually agreeable date to complete the audit.

	No.	%
A (Strongly agree)	48	35%
B (Agree)	62	45%
C (Neither agree/disagree)	2	2%
D (Disagree)	3	2%
E (Strongly disagree)	4	3%
F (Not applicable)	17	12%
Not included	<u>1</u>	<u>1%</u>
Total	137	100%

3. We suggested or accepted reasonable alternatives if you could not provide the specific data requested.

	No.	%
A (Strongly agree)	25	18%
B (Agree)	48	35%
C (Neither agree/disagree)	12	9%
D (Disagree)	3	2%
E (Strongly disagree)	3	2%
F (Not applicable)	43	32%
Not included	<u>3</u>	<u>2%</u>
Total	137	100%

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⁵ Survey(s) received back with more than one answer marked.

Audit Procedures Questions 1 through 10 continued

4. We clearly stated the reasons for any proposed adjustments.

	No.	%
A (Strongly agree)	40	29%
B (Agree)	37	27%
C (Neither agree/disagree)	1	1%
D (Disagree)	4	3%
E (Strongly disagree)	2	1%
F (Not applicable)	53	39%
Not included ⁶	<u>0</u>	<u>0%</u>
Total	137	100%

5. We provided you with a written explanation summarizing all proposed adjustments.

	No.	%
A (Strongly agree)	41	30%
B (Agree)	41	30%
C (Neither agree/disagree)	3	3%
D (Disagree)	2	1%
E (Strongly disagree)	1	1%
F (Not applicable)	47	34%
Not included	<u>2</u>	<u>1%</u>
Total	137	100%

6. The computational schedules for the proposed adjustments were clear to you.

	No.	%
A (Strongly agree)	35	26%
B (Agree)	33	24%
C (Neither agree/disagree)	7	5%
D (Disagree)	1	1%
E (Strongly disagree)	3	2%
F (Not applicable)	58	42%
Not included	<u>0</u>	0%
Total	137	100%

⁶ Survey(s) received back with more than one answer marked.

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Audit Procedures Questions 1 through 10 continued

7. We gave you sufficient time to respond to the proposed audit adjustments before we closed the audit.

	No.	%
A (Strongly agree)	41	30%
B (Agree)	53	39%
C (Neither agree/disagree)	2	1%
D (Disagree)	2	1%
E (Strongly disagree)	2	1%
F (Not applicable)	36	27%
Not included ⁷	<u>1</u>	<u>1%</u>
Total	137	100%

8. You were satisfied with the amount of time it took to complete the audit.

	No.	%
A (Strongly agree)	52	38%
B (Agree)	57	42%
C (Neither agree/disagree)	7	5%
D (Disagree)	9	7%
E (Strongly disagree)	6	4%
F (Not applicable)	6	4%
Not included	<u>0</u>	<u>0%</u>
Total	137	100%

9. We conducted the audit in a professional, courteous and respectful manner.

	No.	%
A (Strongly agree)	70	51%
B (Agree)	54	39%
C (Neither agree/disagree)	1	1%
D (Disagree)	3	2%
E (Strongly disagree)	2	2%
F (Not applicable)	7	5%
Not included	<u>0</u>	<u>0%</u>
Total	137	100%

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⁷ Survey(s) received back with more than one answer marked.

Audit Procedures Questions 1 through 10 continued

10. We conducted the audit efficiently and effectively overall.

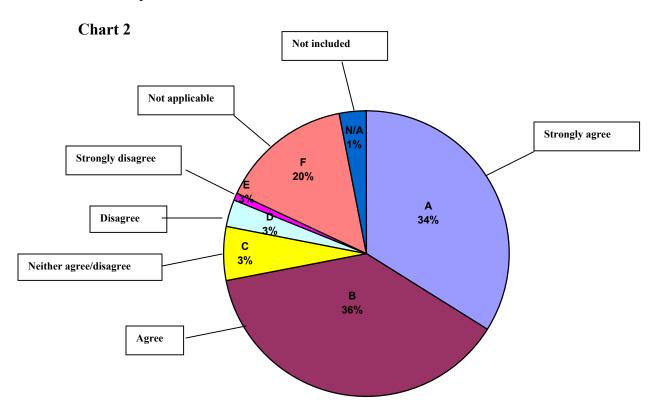
	No.	%
A (Strongly agree)	58	42%
B (Agree)	55	40%
C (Neither agree/disagree)	9	7%
D (Disagree)	4	3%
E (Strongly disagree)	8	6%
F (Not applicable)	3	2%
Not included ⁸	<u>0</u>	0%
Total	137	100%

⁸ Survey(s) received back with more than one answer marked.

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Audit Procedures Results (Summary)

The majority of the respondents replied favorably when asked if the auditor adhered to our audit procedures. Please refer to Chart 2.



All Audit Procedures Questions

A (Strongly agree)	34%
B (Agree)	36%
C (Neither agree/disagree)	3%
D (Disagree)	3%
E (Strongly disagree)	3%
F (Not applicable)	20%
Not included ⁹	<u>1%</u>
Total	100%

⁹ Survey(s) received back with more than one answer marked.

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Summary

This May 2003 report completes Audit Division's sixth mailing process for desk examinations. Out of the 17 questions on the survey, ten of the questions reflect percentage increases in the "strongly agree/agree" categories by one to two percent. This continues the pattern favorable responses in the areas of communication and audit procedures when conducting desk examinations.

Management can use the results of these surveys for training staff on improving the audit process and for staff career development. Sharing this information with newly hired auditors will illustrate our commitment to our goal of providing excellent customer service to the public. In addition, management can address areas where staff efforts are needed to assist the Division in reaching 100% of its success indicators in the Audit Division Business Plan 2002-2003.